

September 25, 2006

Honorable James H. Welsh  
Commissioner of Conservation  
Office of Conservation  
Department of Natural Resources  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: Frio Sand, Reservoir A, SUA & SUB  
**MASTERS CREEK FIELD**  
Rapides Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hughes Eastern Corporation to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Frio Sand, Reservoir A, SUA & SUB in the Masters Creek Field, Rapides Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Frio Sand, Reservoir A, SUA & SUB, in the Masters Creek Field, Rapides Parish, Louisiana.
2. To create a single drilling and production unit for the Frio Sand, Reservoir A, SUA & SUB, and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created.
3. To provide that any future wells drilled to the Frio Sand, Reservoir A, SUA & SUB be located no closer than 1500' to any well producing from the same formation and that no well should be located closer than 330' to any unit line.
4. To provide that the Commissioner may reclassify the reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
5. To consider any other matters that may be pertinent to this application.

The Frio Sand, in the Masters Creek Field, Rapides Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 4225' and 4246' (electrical log measurements) in the WINDRUSH Operating Company (Formerly Pend Oreille Oil & Gas Company) - Lord Timber, LLC No. 1 (Formerly Johnco No. 1 Well), located in Section 6, Township 2 South, Range 2 West, Rapides Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Masters Creek Field, Rapides Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Masters Creek Field, Rapides Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from David Comeaux at Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505 (337-233-9839).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on July 21, 2006 at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. David Comeaux, representing Hughes Eastern Corporation, concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

Mr. Thomas Gaylord, representing WINDRUSH Operating Company, expressed opposition to the Hughes proposal but did not present a counterplan. He stated that he may file a counterplan which would center the Hughes Eastern- Hollingsworth 31 No.1 location within the proposed RA SUB.

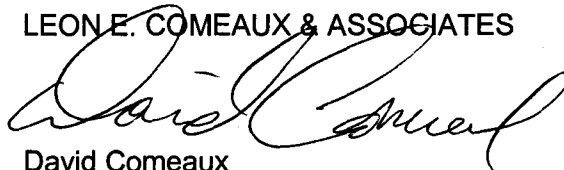
After further discussion, the parties have resolved their differences. It is anticipated that there will be no opposition at the hearing. You will find the revised plat attached to the application.

There are attached hereto and made a part hereof a revised plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said list of parties will be provided to any party requesting a copy. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Hughes Eastern Corporation, in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



David Comeaux

DC/cu  
Enclosures  
cc: Mr. Clarence Chandler  
District Manager  
P. O. Drawer 1651  
Monroe, Louisiana 71210

Interested Parties, Interested  
Owners and Represented Parties

